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IMPORTANT INFORMATION

Deposited March 6, 2009

Forest Act

Forest Licence Regulation

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Definitions

1 In this regulation:

"**Act**" means the *Forest Act*;

"**annual combined input capacity**" means the annual combined input capacity of one or more processing facilities based on each processing facility operating for 16 hours per day, 6 days per week and 52 weeks per year;

"**applicant**" means a person who

(a) owns or leases, or

(b) states in the application for a restricted forest licence that the person intends to own or lease

one or more processing facilities, but does not include a person who is ineligible under section 3 or 4 to be an applicant;

"**control of a corporation**" means beneficial ownership of 50% or more of its issued capital, having full voting rights in all circumstances, by

(a) one person, or

(b) a group of persons not dealing with each other at arm's length;

"**restricted forest licence**" means a non-replaceable forest licence for which applications are invited in accordance with section 13 (2.1) of the Act from one or more categories of applicants as established by this regulation;

"**secondary processing facility**" means a processing facility that does not produce, as its primary product, boards, cants, flitches, lumber, veneer, oriented strand board, pulp, paper, newspaper, chips, pellets or hog fuel;

"**processing facility**" means a facility that processes

(a) timber or wood residue or both,

(b) products produced from timber or wood residue or both, or

(c) products under both paragraphs (a) and (b).

Categories of applicants for restricted forest licences

2 For the purposes of section 13 (2.1) of the Act, the categories of applicants for which applications for a non-replaceable forest licence must only be invited are those categories that result from combining

- (a) one of the annual combined input capacities listed in the paragraphs under Column 1 of the table below and, for this purpose, the applicable paragraph refers to the annual combined input capacity of all the processing facilities owned or leased, or intended to be owned or leased, by the applicant,
- (b) one or more types of processing facilities listed in the paragraphs under Column 2 of the table below and, for this purpose, one or more of the applicable paragraphs refer to one or more of the processing facilities owned or leased, or intended to be owned or leased, by the applicant, and
- (c) one location listed in the paragraphs under Column 3 of the table below and, for this purpose, the applicable paragraph refers to the location of all the processing facilities owned or leased, or intended to be owned or leased, by the applicant.

Column 1 Annual Combined Input Capacity of Processing Facilities	Column 2 Types of Processing Facilities	Column 3 Location of Processing Facilities
(a) less than 50 000 m ³ , (b) less than 100 000 m ³ , (c) less than 250 000 m ³ , (d) less than 500 000 m ³ , or (e) any annual combined input capacity.	(a) a secondary processing facility, (b) a mill that produces pulp, paper or newspaper, (c) a chipping, grinding or pellet plant, or (d) any type of processing facility.	(a) a forest district, (b) an area comprising up to 6 forest districts, or (c) the Province.

Tenure ownership restrictions

3 A person is ineligible to be an applicant for a restricted forest licence if the person

- (a) holds,
- (b) is in control of a corporation that holds,
- (c) is a corporation that has 50% or more of its shares held by one or more shareholders who are also shareholders in a corporation that holds,
- (d) is a corporation that is controlled by a corporation that is also in control of a corporation that holds, or
- (e) is a corporation that is controlled by a corporation that holds

one or more major licences that are replaceable and together have an aggregate allowable annual cut greater than

- (f) 25 000 m³, in the case of a category of applicants that includes one or more processing facilities with an annual combined input capacity listed under paragraph (a) of Column 1 in the table set out in section 2,

- (g) 50 000 m³, in the case of a category of applicants that includes one or more processing facilities with an annual combined input capacity listed under paragraph (b) of Column 1 in the table set out in section 2,
- (h) 125 000 m³, in the case of a category of applicants that includes one or more processing facilities with an annual combined input capacity listed under paragraph (c) of Column 1 in the table set out in section 2,
- (i) 250 000 m³, in the case of a category of applicants that includes one or more processing facilities with an annual combined input capacity listed under paragraph (d) of Column 1 in the table set out in section 2, or
- (j) one half of the annual combined input capacity of the processing facility or facilities, in the case of a category of applicants that includes one or more processing facilities with an annual combined input capacity listed under paragraph (e) of Column 1 in the table set out in section 2.

Additional restrictions

4 A person is ineligible to be an applicant for a restricted forest licence if the person

- (a) holds,
- (b) is in control of a corporation that holds,
- (c) is a corporation that has 50% or more of its shares held by one or more shareholders who are also shareholders in a corporation that holds,
- (d) is a corporation that is controlled by a corporation that is also in control of a corporation that holds, or
- (e) is a corporation that is controlled by a corporation that holds

any of the following:

- (f) two or more restricted forest licences;
- (g) an agreement referred to in section 12 of the Act the rights in respect of which are under suspension, in whole or in part, under section 76 or 78 of the Act.

Proof of eligibility

5 (1) An applicant for a restricted forest licence must, on the request of the minister, provide proof satisfactory to the minister that

- (a) each of the processing facilities owned or leased, or intended to be owned or leased, by the applicant meets all the criteria set out in this regulation in respect of the category applicable to the applicant, and
- (b) the applicant is eligible to be an applicant under this regulation.

(2) If a person does not provide proof in accordance with subsection (1), the minister may reject the application without further consideration.

[Provisions of the *Forest Act*, R.S.B.C. 1996, c. 157, relevant to the enactment of this regulation: section 151 (2) (b.3)]

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